

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 438

Introduced by Senator Hill

February 25, 2015

An act to amend Sections 116.870 and 116.880 of the Code of Civil Procedure, and to amend Sections 1656.2, 12517.1, 13369, 16000, 16000.1, 16075, 16251, 16377, 16430, and 16434 of the Vehicle Code, relating to motor vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 438, as amended, Hill. Motor vehicles: reportable property damage.

Existing law requires the driver of every motor vehicle who is involved in an accident that results in damage to the property of any one person in excess of \$750, or in bodily injury, or in the death of a person, to report the accident to the Department of Motor Vehicles within 10 days after the accident, as specified. Under existing law that threshold amount of damages also serves as a condition, among others, for (1) the suspension of a judgment debtor's driving privileges, as an aid in the enforcement of small claims or civil money judgments arising out of those accidents; and (2) the suspension or revocation of specified endorsements or certificates.

This bill would increase the minimum property damage that is required to be reported to \$1,000. This bill would make conforming changes to those related provisions described above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 116.870 of the Code of Civil Procedure
2 is amended to read:

3 116.870. Sections 16250 to 16381, inclusive, of the Vehicle
4 Code, regarding the suspension of the judgment debtor's privilege
5 to operate a motor vehicle for failing to satisfy a judgment, apply
6 if the judgment (1) was for damage to property in excess of one
7 thousand dollars (\$1,000), or for bodily injury to, or death of, a
8 person in any amount, and (2) resulted from the operation of a
9 motor vehicle upon a California highway by the defendant, or by
10 any other person for whose conduct the defendant was liable, unless
11 the liability resulted from the defendant's signing the application
12 of a minor for a driver's license.

13 SEC. 2. Section 116.880 of the Code of Civil Procedure is
14 amended to read:

15 116.880. (a) If the judgment (1) was for one thousand dollars
16 (\$1,000) or less, (2) resulted from a motor vehicle accident
17 occurring on a California highway caused by the defendant's
18 operation of a motor vehicle, and (3) has remained unsatisfied for
19 more than 90 days after the judgment became final, the judgment
20 creditor may file with the Department of Motor Vehicles a notice
21 requesting a suspension of the judgment debtor's privilege to
22 operate a motor vehicle.

23 (b) The notice shall state that the judgment has not been
24 satisfied, and shall be accompanied by (1) a fee set by the
25 department, (2) the judgment of the court determining that the
26 judgment resulted from a motor vehicle accident occurring on a
27 California highway caused by the judgment debtor's operation of
28 a motor vehicle, and (3) a declaration that the judgment has not
29 been satisfied. The fee shall be used by the department to finance
30 the costs of administering this section and shall not exceed the
31 department's actual costs.

32 (c) Upon receipt of a notice, the department shall attempt to
33 notify the judgment debtor by telephone, if possible, otherwise by
34 certified mail, that the judgment debtor's privilege to operate a
35 motor vehicle will be suspended for a period of 90 days, beginning
36 20 days after receipt of notice by the department from the judgment
37 creditor, unless satisfactory proof, as provided in subdivision (e),
38 is provided to the department before that date.

1 (d) At the time the notice is filed, the department shall give the
2 judgment creditor a copy of the notice that indicates the filing fee
3 paid by the judgment creditor, and includes a space to be signed
4 by the judgment creditor acknowledging payment of the judgment
5 by the judgment debtor. The judgment creditor shall mail or deliver
6 a signed copy of the acknowledgment to the judgment debtor once
7 the judgment is satisfied.

8 (e) The department shall terminate the suspension, or the
9 suspension proceedings, upon the occurrence of one or more of
10 the following:

11 (1) Receipt of proof that the judgment has been satisfied, either
12 (A) by a copy of the notice required by this section signed by the
13 judgment creditor acknowledging satisfaction of the judgment, or
14 (B) by a declaration of the judgment debtor stating that the
15 judgment has been satisfied.

16 (2) Receipt of proof that the judgment debtor is complying with
17 a court-ordered payment schedule.

18 (3) Proof that the judgment debtor had insurance covering the
19 accident sufficient to satisfy the judgment.

20 (4) A deposit with the department of the amount of the
21 unsatisfied judgment, if the judgment debtor presents proof,
22 satisfactory to the department, of inability to locate the judgment
23 creditor.

24 (5) At the end of 90 days.

25 (f) If the suspension has been terminated under subdivision (e),
26 the action is final and shall not be reinstituted. If the suspension
27 is terminated, Section 14904 of the Vehicle Code shall apply.
28 Money deposited with the department under this section shall be
29 handled in the same manner as money deposited under subdivision
30 (d) of Section 16377 of the Vehicle Code.

31 (g) A public agency is not liable for an injury caused by the
32 suspension, termination of suspension, or the failure to suspend a
33 person's privilege to operate a motor vehicle as authorized by this
34 section.

35 SEC. 3. Section 1656.2 of the Vehicle Code is amended to
36 read:

37 1656.2. The department shall prepare and publish a printed
38 summary describing the penalties for noncompliance with Sections
39 16000 and 16028, which shall be included with each motor vehicle
40 registration, registration renewal, and transfer of registration and

1 with each driver's license and license renewal. The printed
2 summary may contain, but is not limited to, the following wording:

3
4 "IMPORTANT FACTS ABOUT ENFORCEMENT OF
5 CALIFORNIA'S COMPULSORY FINANCIAL
6 RESPONSIBILITY LAW
7

8 ~~California~~

9 *California* law requires every driver to carry written evidence
10 of valid automobile liability insurance, a \$35,000 bond, a
11 \$35,000 cash deposit, or a certificate of self-insurance that has
12 been issued by the Department of Motor Vehicles.
13

14 ~~You~~

15 *You* must provide evidence of financial responsibility when you
16 renew the registration of a motor vehicle, and after you are cited
17 by a peace officer for a traffic violation or are involved in any
18 traffic accident. The law requires that you provide the officer
19 with the name and address of your insurer and the policy
20 identification number. Your insurer will provide written evidence
21 of this number. Failure to provide evidence of your financial
22 responsibility can result in fines of up to \$500 and loss of your
23 driver's license. Falsification of evidence can result in fines of
24 up to \$750 or 30 days in jail, or both, in addition to a one-year
25 suspension of driving privileges.
26

27 ~~Under~~

28 *Under* existing California law, if you are involved in an accident
29 that results in damages of over \$1,000 to the property of any
30 person or in any injury or fatality, you must file a report of the
31 accident with the Department of Motor Vehicles within 10 days
32 of the accident. If you fail to file a report or fail to provide
33 evidence of financial responsibility on the report, your driving
34 privilege will be suspended for up to four years. Your suspension
35 notice will notify you of the department's action and of your
36 right to a hearing. Your suspension notice will also inform you
37 that if you request a hearing, it must be conducted within 30
38 days of your written request, and that a decision is to be rendered
39 within 15 days of the conclusion of the hearing."
40

SEC. 4. Section 12517.1 of the Vehicle Code is amended to read:

12517.1. (a) A “schoolbus accident” means any of the following:

(1) A motor vehicle accident resulting in property damage in excess of one thousand dollars (\$1,000), or personal injury, on public or private property, and involving a schoolbus, youth bus, school pupil activity bus, or general public paratransit vehicle transporting a pupil.

(2) A collision between a vehicle and a pupil or a schoolbus driver while the pupil or driver is crossing the highway when the schoolbus flashing red signal lamps are required to be operated pursuant to Section 22112 or when the schoolbus is stopped for the purpose of loading or unloading pupils.

(3) Injury of a pupil inside a vehicle described in paragraph (1) as a result of acceleration, deceleration, or other movement of the vehicle.

(b) The Department of the California Highway Patrol shall investigate all schoolbus accidents, except that accidents involving only property damage and occurring entirely on private property shall be investigated only if they involve a violation of this code.

SEC. 5. Section 13369 of the Vehicle Code is amended to read:

13369. (a) This section applies to the following endorsements and certificates:

- (1) Passenger transportation vehicle.
- (2) Hazardous materials.
- (3) Schoolbus.
- (4) School pupil activity bus.
- (5) Youth bus.
- (6) General public paratransit vehicle.
- (7) Farm labor vehicle.
- (8) Vehicle used for the transportation of developmentally disabled persons.

(b) The department shall refuse to issue or renew, or shall revoke, the certificate or endorsement of a person who meets the following conditions:

- (1) Within three years, has committed any violation that results in a conviction assigned a violation point count of two or more, as defined in Sections 12810 and 12810.5. The department shall not refuse to issue or renew, nor may it revoke, a person’s

1 hazardous materials or passenger transportation vehicle
2 endorsement if the violation leading to the conviction occurred in
3 the person's private vehicle and not in a commercial motor vehicle,
4 as defined in Section 15210.

5 (2) Within three years, has had his or her driving privilege
6 suspended, revoked, or on probation for any reason involving
7 unsafe operation of a motor vehicle. The department shall not
8 refuse to issue or renew, nor may it revoke, a person's passenger
9 transportation vehicle endorsement if the person's driving privilege
10 has, within three years, been placed on probation only for a reason
11 involving unsafe operation of a motor vehicle.

12 (3) Notwithstanding paragraphs (1) and (2), does not meet the
13 qualifications for issuance of a hazardous materials endorsement
14 set forth in Parts 383, 384, and 1572 of Title 49 of the Code of
15 Federal Regulations.

16 (c) The department may refuse to issue or renew, or may suspend
17 or revoke, the certificate or endorsement of a person who meets
18 any of the following conditions:

19 (1) Within 12 months, has been involved as a driver in three
20 accidents in which the driver caused or contributed to the causes
21 of the accidents.

22 (2) Within 24 months, as a driver, caused or contributed to the
23 cause of an accident resulting in a fatality or serious injury or
24 serious property damage in excess of one thousand dollars (\$1,000).

25 (3) Has violated any provision of this code, or any rule or
26 regulation pertaining to the safe operation of a vehicle for which
27 the certificate or endorsement was issued.

28 (4) Has violated any restriction of the certificate, endorsement,
29 or commercial driver's license.

30 (5) Has knowingly made a false statement or failed to disclose
31 a material fact on an application for a certificate or endorsement.

32 (6) Has been determined by the department to be a negligent or
33 incompetent operator.

34 (7) Has demonstrated irrational behavior to the extent that a
35 reasonable and prudent person would have reasonable cause to
36 believe that the applicant's ability to perform the duties of a driver
37 may be impaired.

38 (8) Excessively or habitually uses, or is addicted to, alcoholic
39 beverages, narcotics, or dangerous drugs.

1 (9) Does not meet the minimum medical standards established
2 or approved by the department.

3 (d) The department may cancel the certificate or endorsement
4 of any driver who meets any of the following conditions:

5 (1) Does not have a valid driver's license of the appropriate
6 class.

7 (2) Has requested cancellation of the certificate or endorsement.

8 (3) Has failed to meet any of the requirements for issuance or
9 retention of the certificate or endorsement, including, but not
10 limited to, payment of the proper fee, submission of an acceptable
11 medical report and fingerprint cards, and compliance with
12 prescribed training requirements.

13 (4) Has had his or her driving privilege suspended or revoked
14 for a cause involving other than the safe operation of a motor
15 vehicle.

16 (e) (1) The department shall refuse to issue or renew, or shall
17 suspend or revoke, the passenger vehicle endorsement of a person
18 who violates subdivision (b) of Section 5387 of the Public Utilities
19 Code.

20 (2) A person found to be in violation of subdivision (b) of
21 Section 5387 of the Public Utilities Code shall be ineligible for a
22 passenger vehicle endorsement that would permit him or her to
23 drive a bus of any kind, including, but not limited to, a bus,
24 schoolbus, youth bus, school pupil activity bus, trailer bus, or a
25 transit bus, with passengers, for a period of five years.

26 (f) (1) Reapplication following refusal or revocation under
27 subdivision (b) or (c) may be made after a period of not less than
28 one year from the effective date of denial or revocation, except in
29 cases where a longer period of suspension or revocation is required
30 by law.

31 (2) Reapplication following cancellation under subdivision (d)
32 may be made at any time without prejudice.

33 SEC. 6. Section 16000 of the Vehicle Code is amended to read:

34 16000. (a) The driver of a motor vehicle who is in any manner
35 involved in an accident originating from the operation of the motor
36 vehicle on a street or highway, or is involved in a reportable
37 off-highway accident, as defined in Section 16000.1, that has
38 resulted in damage to the property of any one person in excess of
39 one thousand dollars (\$1,000), or in bodily injury, or in the death
40 of any person shall report the accident, within 10 days after the

1 accident, either personally or through an insurance agent, broker,
2 or legal representative, on a form approved by the department, to
3 the office of the department at Sacramento, subject to this chapter.
4 The driver shall identify on the form, by name and current
5 residence address, if available, any person involved in the accident
6 complaining of bodily injury.

7 (b) A report is not required under subdivision (a) if the motor
8 vehicle involved in the accident was owned or leased by, or under
9 the direction of, the United States, this state, another state, or a
10 local agency.

11 (c) If none of the parties involved in an accident has reported
12 the accident to the department under this section within one year
13 following the date of the accident, the department is not required
14 to file a report on the accident and the driver's license suspension
15 requirements of Section 16004 or 16070 do not apply.

16 SEC. 7. Section 16000.1 of the Vehicle Code is amended to
17 read:

18 16000.1. (a) For purposes of this division, a "reportable
19 off-highway accident" means an accident that includes all of the
20 following:

21 (1) Occurs off the street or highway.

22 (2) Involves a vehicle that is subject to registration under this
23 code.

24 (3) Results in damages to the property of any one person in
25 excess of one thousand dollars (\$1,000), or in bodily injury or in
26 the death of any person.

27 (b) A "reportable off-highway accident" does not include any
28 accident that occurs off-highway in which damage occurs only to
29 the property of the driver or owner of the motor vehicle and no
30 bodily injury or death of a person occurs.

31 SEC. 8. Section 16075 of the Vehicle Code is amended to read:

32 16075. (a) The suspension provisions of this article shall not
33 apply to a driver or owner until 30 days after the department sends
34 to the driver or owner notice of its intent to suspend his or her
35 driving privilege, pursuant to subdivision (b) of Section 16070,
36 and advises the driver or owner of his or her right to a hearing as
37 provided in this section.

38 (b) If the driver or owner receiving the notice of intent to
39 suspend wishes to have a hearing, the request for a hearing shall
40 be made in writing to the department within 10 days of the receipt

1 of the notice. Failure to respond to a notice of intent within 10
2 days of receipt of the notice is a waiver of the person's right to a
3 hearing.

4 (c) If the driver or owner makes a timely request for a hearing,
5 the department shall hold the hearing before the effective date of
6 the suspension to determine the applicability of this chapter to the
7 driver or owner, including a determination of whether:

8 (1) The accident has resulted in property damage in excess of
9 one thousand dollars (\$1,000), or bodily injury, or death.

10 (2) The driver or owner has established *evidence of* financial
11 responsibility, as provided in Article 3 (commencing with Section
12 16050), *that* was in effect at the time of the accident.

13 (d) A request for a hearing does not stay the suspension of a
14 person's driving privilege. However, if the department does not
15 conduct a hearing and make a determination pursuant thereto within
16 the time limit provided in subdivision (b) of Section 16070, the
17 department shall stay the effective date of the order of suspension
18 pending a determination.

19 (e) The hearing provided for by this section shall be held in the
20 county of residence of the person requesting the hearing. The
21 hearing shall be conducted pursuant to Article 3 (commencing
22 with Section 14100) of Chapter 3 of Division 6.

23 (f) The department shall render its decision within 15 days after
24 conclusion of the hearing.

25 SEC. 9. Section 16251 of the Vehicle Code is amended to read:

26 16251. As used in this chapter and Chapter 3 (commencing
27 with Section 16430), "cause of action" means any cause of action
28 for damage to property in excess of one thousand dollars (\$1,000),
29 or for damage in any amount on account of bodily injury to or
30 death of any person resulting from the operation by the defendant
31 or any other person of any motor vehicle upon a highway in this
32 state, except a cause of action based upon statutory liability by
33 reason of signing the application of a minor for a driver's license.

34 SEC. 10. Section 16377 of the Vehicle Code is amended to
35 read:

36 16377. For the purposes of ~~his~~ *this* chapter, every judgment
37 shall be deemed satisfied if any of the following apply:

38 (a) Fifteen thousand dollars (\$15,000) has been credited, upon
39 any judgment in excess of that amount, or upon all judgments,
40 collectively, which together total in excess of that amount, for

1 personal injury to or death of one person as a result of any one
2 accident.

3 (b) Subject to the limit of fifteen thousand dollars (\$15,000) as
4 to one person, the sum of thirty thousand dollars (\$30,000) has
5 been credited, upon any judgment in excess of that amount, or
6 upon all judgments, collectively, which together total in excess of
7 that amount, for personal injury to or death of more than one person
8 as a result of any one accident.

9 (c) Five thousand dollars (\$5,000) has been credited, upon any
10 judgment in excess of that amount, or upon all judgments,
11 collectively, each of which is in excess of one thousand dollars
12 (\$1,000), and which together total in excess of five thousand dollars
13 (\$5,000), for damage to property of others as a result of any one
14 accident.

15 (d) The judgment debtor or a person designated by him or her
16 has deposited with the department a sum equal to the amount of
17 the unsatisfied judgment for which the suspension action was taken
18 and presents proof, satisfactory to the department, of inability to
19 locate the judgment creditor.

20 SEC. 11. Section 16430 of the Vehicle Code is amended to
21 read:

22 16430. "Proof of financial responsibility," when required by
23 this code, means proof of financial responsibility resulting from
24 the ownership or operation of a motor vehicle and arising by reason
25 of personal injury to, or death of, any one person, of at least fifteen
26 thousand dollars (\$15,000), and, subject to the limit of fifteen
27 thousand dollars (\$15,000) for each person injured or killed, of at
28 least thirty thousand dollars (\$30,000) for the injury to, or the death
29 of, two or more persons in any one accident, and for damages to
30 property (in excess of one thousand dollars (\$1,000)), of at least
31 five thousand dollars (\$5,000) resulting from any one accident.
32 Proof of financial responsibility may be given in any manner
33 authorized in this chapter.

34 SEC. 12. Section 16434 of the Vehicle Code is amended to
35 read:

36 16434. Proof of financial responsibility may be given by a
37 bond. The bond shall be conditioned for the payment of the amount
38 specified in Section 16430, and shall provide for the entry of
39 judgment on motion of the state in favor of any holder of any final
40 judgment on account of damages to property over one thousand

- 1 dollars (\$1,000) in amount, or injury to any person caused by the
- 2 operation of the person's motor vehicle.

O